

Metro Retail caps 2022 with record sales, nets PhP917 million

12 April 2023, Manila, Philippines – Metro Retail Stores Group, Inc. (MRSGL) recorded a banner year in 2022 with sales and net income exceeding pre-pandemic levels, operating ratios reflecting marked efficiency gains, and EBITDA registering two-fold growth.

MRSGL favorably capped 2022 with a net income of PhP917.3 million as economic activity picked up in the country, posting a significant turnaround from a PhP318.1 million pandemic-driven loss in 2021. The 2022 net income also surpassed the pre-pandemic earnings by 18.3% from PhP775.6 million in 2019.

The Company benefitted as well from the robust consumer spending during the holiday season with its record sales in the fourth quarter, bringing the annual sales to PhP38.1 billion in 2022, 22.1% higher than the PhP31.2 billion sales in 2021. MRSGL's store traffic continued to recover resulting in a 19.2% blended same-store sales growth in 2022.

Amid the price pressures and supply chain challenges, the full reopening of businesses and improvement in labor market conditions primarily drove the growth in consumer confidence since the pandemic. Hence, the Company's general merchandise business climbed by 54.3% from the same period last year while food retail was up by 13.1%.

With the increased share to business of general merchandise offering better margins, MRSGL posted an improvement of 230 basis points in its blended gross margin from 18.8% in 2021 to 21.1% in 2022. Meanwhile, the Company reported an improvement in its operating expense-to-sales ratio of 18.1% in 2022 versus 19.1% a year ago.

Underpinned by the improved gross margin and operating efficiency, MRSGL was able to double its earnings before interest, taxes, depreciation, and amortization (EBITDA) to reach PhP2.7 billion (7.1% of sales) in 2022 compared to PhP1.2 billion (3.8% of sales) in 2021. The Company remained in a strong cash and liquidity position at PhP5.2 billion, while bank debt level was manageable at PhP3.0 billion.

In 2022, the Company added two new supermarkets, ending the year at 62 stores. MRSGL broke ground and started the construction of its mega distribution center in Sta. Rosa, Laguna in order to support its current and future network. The Company also launched several new projects in its store expansion pipeline in strategic areas across Luzon and Visayas.

Last March 31, 2023, the Board of Directors of MRSGL approved the distribution of cash dividends amounting to PhP196.1 million, equivalent to PhP0.06 per share.

"The year 2022 was indeed a breakthrough year for Metro Retail. Along with the Company's celebration of its 40th year in the industry, MRSGL was able to display its resilience – registering consistent encouraging performance across all quarters and ultimately closing the year with positive results. MRSGL marked this year as its leap from the net loss incurred during the pandemic to delivering a buoyant financial outcome. And we look forward to sustaining this growth in the coming years," said MRSGL President and COO Manuel Alberto.

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